

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re 261 EAST 78 LOFTS LLC

Debtor

Case No. 16-11644-SHL  
Reporting Period: 02/01/2017-02/28/2017

Federal Tax I.D. # 46-5081352

**SINGLE ASSET REAL ESTATE COMPANIES**

**File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.**

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

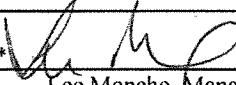
REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1 (RE)	x	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CON'T)	x	
Copies of bank statements		x	
Cash disbursements journals			
Statement of Operations	MOR-2 (RE)	x	
Balance Sheet	MOR-3 (RE)	x	
Summary of Unpaid Post-petition Debts	MOR-4 (RE)	x	
Copies of tax returns filed during reporting period			
Rent Roll	MOR-5 (RE)		
Payments to Insiders and Professional	MOR-6 (RE)		
Post Petition Status of Secured Notes, Leases Payable	MOR-6 (RE)		
Cash Flow Projection	MOR-7 (RE)		
Debtor Questionnaire	MOR-8 (RE)	x	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual\*

  
Lee Moncho, Managing Member

Date

Printed Name of Authorized Individual

Date

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

In re 261 East 78 Lofts LLC

Debtor

Case No. 16-11644

Reporting Period: 02/01/2017-02/28/2017

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the three bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS			
	OPER	TAX	OTHER	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
<b>CASH BEGINNING OF MONTH</b>	<b>\$16,379.29</b>			
<b>RECEIPTS</b>				
CASH SALES	\$91,544.31			
ACCOUNTS RECEIVABLE - PREPETITION				
ACCOUNTS RECEIVABLE - POSTPETITION				
LOANS AND ADVANCES				
SALE OF ASSETS				
OTHER (ATTACH LIST)				
TRANSFERS (FROM DIP ACCTS)				
<b>TOTAL RECEIPTS</b>	<b>\$91,544.31</b>			
<b>DISBURSEMENTS</b>				
NET PAYROLL				
PAYROLL TAXES				
SALES, USE, & OTHER TAXES	\$22,500.00			
INVENTORY PURCHASES				
SECURED/ RENTAL/ LEASES	\$30,000.00			
INSURANCE				
ADMINISTRATIVE	\$34,725.18			
SELLING				
OTHER (ATTACH LIST)				
OWNER DRAW *				
TRANSFERS (TO DIP ACCTS)				
PROFESSIONAL FEES				
U.S. TRUSTEE QUARTERLY FEES				
COURT COSTS				
<b>TOTAL DISBURSEMENTS</b>	<b>\$87,225.18</b>			
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	\$4,319.13			
<b>CASH – END OF MONTH</b>	<b>\$20,698.42</b>			

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

<b>TOTAL DISBURSEMENTS</b>	<b>\$87,225.18</b>
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	<b>\$87,225.18</b>

**In re 261 East 78 Lofts LLC  
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## BANK RECONCILIATIONS

**Continuation Sheet for MOR-1**

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

(Bank account numbers may be redacted to last four numbers.)

	Operating *****1290	Tax #	Other #
<b>BALANCE PER BOOKS</b>	<b>\$20,698.42</b>		
BANK BALANCE	\$118,198.42		
(+) DEPOSITS IN TRANSIT <i>(ATTACH LIST)</i>			
(-) OUTSTANDING CHECKS <i>(ATTACH LIST)</i> :	\$97,500.00		
OTHER <i>(ATTACH EXPLANATION)</i>			
<b>ADJUSTED BANK BALANCE *</b>	<b>\$20,698.42</b>		

\*"Adjusted Bank Balance" must equal "Balance per Books"

#### OTHER

In re 261 East 78 Lofts LLC  
DebtorCase No. 16-11644  
Reporting Period: 02/01/2017-02/28/2017**STATEMENT OF OPERATIONS** (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

INCOME	MONTH	CUMULATIVE -FILING TO DATE
Rental Income	\$91,544.31	\$684,532.25
Additional Rental Income		
Common Area Maintenance Reimbursement		
Total Income (attach MOR-5 (RE) Rent Roll)	\$91,544.31	\$684,532.25
<b>OPERATING EXPENSES</b>		
Advertising		
Auto and Truck Expense		
Cleaning and Maintenance		
Commissions		
Officer/Insider Compensation*		
Insurance		\$17,069.69
Management Fees/Bonuses	\$9,000.00	\$67,500.00
Office Expense	\$18,799.33	\$132,803.75
Other Interest	\$30,000.00	\$220,000.00
Repairs	\$2,362.59	\$31,695.02
Supplies		\$0.00
Taxes - Real Estate	\$22,500.00	\$161,000.00
Travel and Entertainment		\$0.00
Utilities	\$4,563.26	\$32,177.81
Other (attach schedule)		
Total Operating Expenses Before Depreciation	\$87,225.18	\$662,246.27
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Other Income & Expenses	\$4,319.13	\$22,285.98
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)		\$210.00
Interest Expense		
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	\$4,319.13	\$22,495.98
<b>REORGANIZATION ITEMS</b>		
Professional Fees		
U. S. Trustee Quarterly Fees		\$2,275.00
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Property		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses		\$2,275.00
Income Taxes		
Net Profit (Loss)	\$4,319.13	\$20,220.98

\* "Insider" is defined in 11 U.S.C. Section 101(31).

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**BREAKDOWN OF “OTHER” CATEGORY**

**OTHER OPERATIONAL EXPENSES**


**OTHER INCOME**


**OTHER EXPENSES**


**OTHER REORGANIZATION EXPENSES**


**Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:**

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

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## BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents	\$20,698.42		
Restricted Cash and Cash Equivalents ( <i>see continuation sheet</i> )			
Accounts Receivable (Net)			
Notes Receivable			
Prepaid Expenses			
Professional Retainers	\$24,000.00		
Other Current Assets ( <i>attach schedule</i> )			
<b>TOTAL CURRENT ASSETS</b>	<b>\$44,698.42</b>		
<b>PROPERTY &amp; EQUIPMENT</b>			
Real Property and Improvements	\$18,000,000.00		
Machinery and Equipment			
Furniture, Fixtures and Office Equipment			
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation			
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>\$18,000,000.00</b>		
<b>OTHER ASSETS</b>			
Amounts due from Insiders*			
Other Assets ( <i>attach schedule</i> )	\$210.00		
<b>TOTAL OTHER ASSETS</b>	<b>\$210.00</b>		
<b>TOTAL ASSETS</b>	<b>\$18,044,908.42</b>		
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable			
Taxes Payable ( <i>refer to FORM MOR-4</i> )			
Notes Payable			
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments			
Professional Fees			
Amounts Due to Insiders*			
Other Post-petition Liabilities ( <i>attach schedule</i> )			
<b>TOTAL POST-PETITION LIABILITIES</b>	<b>\$0.00</b>		
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt	\$15,312,181.43		
Priority Debt			
Unsecured Debt	\$1,435,876.00		
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>\$16,748,057.43</b>		
<b>TOTAL LIABILITIES</b>	<b>\$16,748,057.43</b>		
<b>OWNERS' EQUITY</b>			
Owner's Equity Account	\$1,296,850.99		
Retained Earnings - Pre-Petition			
Retained Earnings - Post-petition			
Adjustments to Owner Equity ( <i>attach schedule</i> )			
Post-petition Contributions ( <i>attach schedule</i> )			
<b>NET OWNERS' EQUITY</b>	<b>\$1,296,850.99</b>		
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$18,044,908.42</b>		

\* "Insider" is defined in 11 U.S.C. Section 101(31).

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**BALANCE SHEET - continuation section**

ASSETS	BOOK VALUE AT END OF	BOOK VALUE AT END OF	BOOK VALUE ON PETITION DATE
	CURRENT REPORTING MONTH	PRIOR REPORTING MONTH	
<b>Other Current Assets</b>			
<b>Other Assets</b>			
<b>LIABILITIES AND OWNER EQUITY</b>			
BOOK VALUE AT END OF			
CURRENT REPORTING MONTH			
<b>Other Post-petition Liabilities</b>			
<b>Adjustments to Owner's Equity</b>			
<b>Post-Petition Contributions</b>			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.

Typically, restricted cash is segregated into a separate account, such as an escrow account.

## 90 Day Budget

In Re: 261 East 78 Lofts LLC 16-  
80 Park Avenue #10N  
New York, NY 10016

	Beginning	Jan-17	Feb-17	Mar-17	Apr-17
<b>Cash Summary</b>					
<b>Cash on Hand</b> (beginning of month)	4,697	4,697	16,380	20,699	28,277
<b>Cash Available</b> (on hand + receipts, before cash out)	4,697	86,894	107,924	102,467	110,624
<b>Cash Position</b> (end of month)	4,697	16,380	20,699	28,277	36,435
<b>Cash Receipts</b>					
Basement - Esquared	0	5,374	5,376	5,374	5,374
1/F - Dr Michel	0	9,427	9,427	9,427	9,427
2/F - Amplitude	0	18,117	18,117	18,117	18,117
3/F - Zaniac	0	16,630	19,360	16,200	16,630
4/F - Dr Lighvani	0		6,315		
5/F - Dr Brian Chung	0	16,150	16,150	16,000	16,150
6/F - Mando	0	16,500	16,800	16,650	16,650
Tax Escalations	0				
<b>Total Cash Receipts</b>	0	82,198	91,544	81,768	82,348
<b>Cash Paid Out</b>					
Con Edison - Gas and Electric		3,315	3,316	3,316	3,316
Time Warner - Telephones		347	670	670	670
DEP - Water and Sewer					
Bldg Super/Doorman/Security		7,168	7,248	7,200	7,200
Elevator Maintenance		926	926	926	926
Elevator HVAC Repair		9,573	5,357		
Violations					
Garbage Removal		1,154	577	577	577
Insurance					
Management Fees		9,000	9,000	9,000	9,000
Miscellaneous/Admin/Expediting		9,032	7,631		
Debt Service		30,000	30,000	30,000	30,000
RE Taxes			22,500	22,500	22,500
US Trustee					
<b>Total Cash Paid Out</b>		70,515	87,225	74,190	74,190

In re 261 East 78 Lofts LLC  
DebtorCase No. 16-11644  
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## DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition State or Federal income taxes past due?		X
9	Are any post petition real estate taxes past due?		X
10	Are any other post petition taxes past due?		X
11	Have any pre-petition taxes been paid during this reporting period?		X
12	Are any amounts owed to post petition creditors delinquent?		X
13	Have any post petition loans been received by the Debtor from any party?		X
14	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
15	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
16	Have the owners or shareholders received any compensation outside of the normal course of business?		X



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STATEMENT OF ACCOUNT

261 EAST 78 LOFTS LLC  
DIP CASE 16-11644 SDNY  
80 PARK AVE STE 10N  
NEW YORK NY 10016

Page: 1 of 3  
Statement Period: Feb 01 2017-Feb 28 2017  
Cust Ref #: [REDACTED]-T###  
Primary Account #: [REDACTED]1290

### Chapter 11 Checking

261 EAST 78 LOFTS LLC  
DIP CASE 16-11644 SDNY

Account # [REDACTED]1290

#### ACCOUNT SUMMARY

Beginning Balance	79,496.29	Average Collected Balance	105,831.43
Deposits	73,427.31	Annual Percentage Yield Earned	0.00%
		Days in Period	28
Checks Paid	21,161.92		
Electronic Payments	13,563.26		
Ending Balance	118,198.42		

#### DAILY ACCOUNT ACTIVITY

##### Deposits

POSTING DATE	DESCRIPTION	AMOUNT
2/1	DEPOSIT	16,150.00
2/1	DEPOSIT	9,426.73
2/2	DEPOSIT	6,314.75
2/3	DEPOSIT	2,730.00
2/6	DEPOSIT	16,800.00
2/6	DEPOSIT	5,375.83
2/28	DEPOSIT	16,630.00
		Subtotal: 73,427.31

##### Checks Paid

DATE	No. Checks: 7	*Indicates break in serial sequence or check processed electronically and listed under Electronic Payments				
		SERIAL NO.	AMOUNT	DATE	SERIAL NO.	AMOUNT
2/6			7,247.50	2/21	1080	926.36
2/6			4,623.41	2/17	1081	2,994.06
2/1			100.00	2/21	1082	2,362.59
2/21			2,908.00			
					Subtotal:	21,161.92

##### Electronic Payments

POSTING DATE	DESCRIPTION	AMOUNT
2/1	eTransfer Debit, Online Xfer Transfer to CK 4257192769	9,000.00
2/16	ACH DEBIT, CON ED OF NY INTELL CK ****33194500026	2,567.65
2/16	ACH DEBIT, CON ED OF NY INTELL CK ****33194502006	748.33
2/17	DEBIT CARD PURCHASE, ****04014970663, AUT 021617 VISA DDA PUR PROGRESSIVE WASTE IESI 817 632 4000 * TX	577.04
2/21	DEBIT CARD PURCHASE, ****04014970663, AUT 021617 VISA DDA PUR TWC TIME WARNER NYC 718 358 0900 * NY	670.24
		Subtotal: 13,563.26

Call 1-800-937-2000 for 24-hour Bank-by-Phone services or connect to [www.tdbank.com](http://www.tdbank.com)

## How to Balance your Account

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**Begin by adjusting your account register as follows:**

- Subtract any services charges shown on this statement.
- Subtract any automatic payments, transfers or other electronic withdrawals not previously recorded.
- Add any interest earned if you have an interest-bearing account.
- Add any automatic deposit or overdraft line of credit.
- Review all withdrawals shown on this statement and check them off in your account register.
- Follow instructions 2-5 to verify your ending account balance.

1. Your ending balance shown on this statement is:
2. List below the amount of deposits or credit transfers which do not appear on this statement. Total the deposits and enter on Line 2.
3. Subtotal by adding lines 1 and 2.
4. List below the total amount of withdrawals that do not appear on this statement. Total the withdrawals and enter on Line 4.
5. Subtract Line 4 from 3. This adjusted balance should equal your account balance.

 <b>Ending Balance</b>	118,198.42
 <b>Total Deposits</b>	+
 <b>Sub Total</b>	-----
 <b>Total Withdrawals</b>	- -----
 <b>Adjusted Balance</b>	-----

FOR CONSUMER ACCOUNTS ONLY — IN CASE OF ERRORS OR  
QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:

If you need information about an electronic fund transfer or if you believe there is an error on your bank statement or receipt relating to an electronic fund transfer, telephone the bank immediately at the phone number listed on the front of your statement or write to:

**TD Bank, N.A., Deposit Operations Dept, P.O. Box 1377, Lewiston,  
Maine 04243-1377**

- Your name and account number.
- A description of the error or transaction you are unsure about.
- The dollar amount and date of the suspected error.

When making a verbal inquiry, the Bank may ask that you send us your complaint in writing within ten (10) business days after the first telephone call.

We will investigate your complaint and will correct any error promptly. If we take more than ten (10) business days to do this, we will credit your account for the amount you think is in error, so that you have the use of the money during the time it takes to complete our investigation.

## INTEREST NOTICE

Total interest credited by the Bank to you this year will be reported by the Bank to the Internal Revenue Service and State tax authorities. The amount to be reported will be reported separately to you by the Bank.

**FOR CONSUMER LOAN ACCOUNTS ONLY — BILLING RIGHTS  
SUMMARY**

**In case of Errors or Questions About Your Bill:**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at P.O. Box 1377, Lewiston, Maine 04243-1377 as soon as possible. We must hear from you no later than sixty (60) days after we sent you the FIRST bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number..
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error.  
If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

**FINANCE CHARGES:** Although the Bank uses the Daily Balance method to calculate the finance charge on your Moneyline/Overdraft Protection account (the term "ODP" or "OD" refers to Overdraft Protection), the Bank discloses the Average Daily Balance on the periodic statement as an easier method for you to calculate the finance charge. The finance charge begins to accrue on the date advances and other debits are posted to your account and will continue until the balance has been paid in full. To compute the finance charge, multiply the Average Daily Balance times the Days in Period times the Daily Periodic Rate (as listed in the Account Summary section on the front of the statement). The Average Daily Balance is calculated by adding the balance for each day of the billing cycle, then dividing the total balance by the number of Days in the Billing Cycle. The daily balance is the balance for the day after advances have been added and payments or credits have been subtracted plus or minus any other adjustments that might have occurred that day. There is no grace period during which no finance charge accrues. Finance charge adjustments are included in your total finance charge.



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STATEMENT OF ACCOUNT

261 EAST 78 LOFTS LLC  
DIP CASE 16-11644 SDNY

Page: 3 of 3  
Statement Period: Feb 01 2017-Feb 28 2017  
Cust Ref #: [REDACTED] T###  
Primary Account #: [REDACTED] 1290

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DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
1/31	79,496.29	2/16	112,006.71
2/1	95,973.02	2/17	108,435.61
2/2	102,287.77	2/21	101,568.42
2/3	105,017.77	2/28	118,198.42
2/6	115,322.69		

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